



**Health Services**  
LOS ANGELES COUNTY

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**Robert G. Splawn, M.D.**  
Interim Chief Medical Officer

313 N. Figueroa Street, Suite 912  
Los Angeles, CA 90012

Tel: 213-240-8101  
Fax: 213-481-0503

[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

*To improve health  
through leadership,  
service and education*

November 18, 2008

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL TO EXPEND TOBACCO SETTLEMENT FUNDS FOR THE  
HEALTH CARE WORKFORCE DEVELOPMENT PROGRAM  
(ALL SUPERVISORIAL DISTRICTS)  
(4 VOTES)**

**SUBJECT**

Request approval to authorize expenditure of Tobacco Settlement funds for the Health Care Workforce Development Program.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve the Department of Health Services' (DHS) use of Tobacco Settlement Funds Designation for the Health Care Workforce Development Program in the amount of \$3.1 million.
2. Approve the attached Fiscal Year (FY) 2008-09 Appropriation Adjustment which cancels \$3.1 million of Tobacco Settlement Funds Designation and appropriates funds in DHS to replace the State funding included in the FY 2008-09 Final Budget that will not be realized for the Health Care Workforce Development Program (HCWDP).

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

Approval of this action will allow the DHS to expend \$3.1 million in Tobacco Settlement funds to continue HCWDP trainings, including preparatory courses for professional programs, skill enhancement courses, and career path programs to prepare DHS employees for health professions critically needed by the Department. State funding is not available this FY to continue this valuable program and therefore, DHS is recommending allocation of Tobacco Settlement funds to ensure the program continues through June 30, 2009.

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Implementation of Strategic Plan Goals

The recommended action is consistent with Goal 2, Workforce Excellence, of the County's Strategic Plan.

**FISCAL IMPACT/FINANCING**

It is recommended that your Board approve the attached FY 2008-09 Appropriation Adjustment which cancels \$3.1 million of Tobacco Settlement Funds Designation and appropriates funds in DHS to replace the State funding included in the FY 2008-09 Final Budget that will not be realized for the HCWDP.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

HCWDP was originally funded under the Terms and Conditions of the 1115 Waiver Agreement Extension (2000-2005) with State and County allocations at a 2 to 1 match, respectively. In FY 2007-08, the State allocated the remaining \$5.7 million of general fund revenue to complete their obligation under the Waiver agreement. Due to delays in the FY 2007-08 State budget process, the contract with the State for the expenditure of the State funds was not approved by your Board until January 15, 2008. Approximately \$2.3 million of remaining funds in the FY 2007-08 State contract carried into the FY 2008-09 budget and it is anticipated the funds will be spent by December 31, 2008, at contract expiration.

The County and the Service Employees International Union Local 721 (SEIU) advocated for an allocation in FY 2008-09 from the State. Due to the extraordinary issues with the FY 2008-09 State budget, a State commitment for current FY funding was not secured.

Since 1999, DHS, in collaboration with SEIU, has provided workforce development services to DHS employees. Under the terms and conditions of the Waiver (2000-2005), the State and County provided \$40.0 million with a 2 to 1 sharing ratio: \$26.6 million and \$13.4 million, respectively. Originally, State funds, allocated under the Waiver agreement were not available until late June 2002, therefore, the entire allocation of \$40.0 million was not spent during the Waiver years. The State allocated a total of \$11.4 million of general fund revenue in FYs 2006-07 and 2007-08 to meet their original Waiver obligation. The remaining State allocation will be spent in FY 2008-09 by December 31, 2008.

The Department continues to focus its workforce development efforts in critical shortage areas. HCWDP coordinates with facility administrators to minimize impact on

patient services when employees are released to attend training programs. Approximately 9,000 DHS employees have participated in one or more training activities with HCWDP, which includes preparatory courses for professional programs, skill enhancement courses, and career path programs. To date, 208 new registered nurses, 42 licensed vocational nurses, two psychiatric technicians, 249 new health information technologists, 38 patient financial services workers and 221 phlebotomists have been trained under the sponsorship of HCWDP. Over 100 employees will complete their career path education this year, and approximately another 100 will qualify to enter college-based career path programs.

HCWDP counts over 15,000 enrollments in one or more skill enhancement programs ranging from effective communication, computer skills, Spanish language for health care providers, basic math and reading/writing, and nursing skills, etc.

In addition, HCWDP is sponsoring innovative programs such as the pilot "Leaders Are Learners" program at Rancho Los Amigos National Rehabilitation Center, and a multi-disciplinary training for employees who interact with homeless patients at LAC+USC Medical Center, to increase their coverage under federal disability insurance.

HCWDP has raised over \$1.0 million dollars for the County College of Nursing and Allied Health to expand their capacity to prepare more County employees as registered nurses, and approximately \$0.4 million in grant funds to support academic preparation courses. Currently, 70 HCWDP-sponsored County employees are enrolled in the College nursing program, and have agreed to remain in County service upon licensure as registered nurses.

HCWDP is a critical component in retaining the current workforce at DHS hospitals. Over 95% of successful graduates of HCWDP career path programs remain in County service, resulting in significant cost savings that would have otherwise been allocated to recruit contract employees at higher costs for positions such as licensed nurses and medical record coders.

### **CONTRACTING PROCESS**

Not applicable.

The Honorable Board of Supervisors  
November 18, 2008  
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**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommendation ensures that the Department continues to sponsor DHS employees in training programs with the condition that successful participants work for DHS facilities as registered nurses and other medical professionals.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'John F. Schunhoff', written over a horizontal line.

John F. Schunhoff, Ph.D.  
Interim Director

JFS:sd

Attachment

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors

Tobacco Settlement BL

PINK

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BOARD OF  
SUPERVISORS  
OFFICIAL COPY

## COUNTY OF LOS ANGELES

## request for appropriation adjustment

department of Health ServicesDept's.  
No. 110  
October 23 2008

Auditor-Controller.

the following appropriation adjustment is deemed necessary by this department. will you please report as to accounting and available balances and forward to the Chief Executive Officer for his recommendation or action.

## ADJUSTMENT REQUESTED AND REASONS THEREFOR

**FY 2008-09**  
**4 - VOTES**

SOURCESUSES

Tobacco Designation

A01-3096

\$3,141,000

DES-HS-Tobacco Settlement

Decrease Designation

HS-Health Services Administration

A01-HS-88-8831-20000

State Other

Decrease Revenue

\$3,141,000

Total

\$3,141,000

Total

\$3,141,000

JUSTIFICATION

To reflect the decrease in State funding for the Health Care Workforce Development Program (HCWDP) due to expiration of the Workforce Investment Act Grant on December 31, 2008. This budget adjustment requests to cancel \$3.1 million in Tobacco Settlement Funds Designation and appropriates funds in DHS to replace the State Funding included in the FY 2008-09 Final Budget that will not be realized for HCWDP, thus allowing the continuance of training programs to prepare DHS employees for health professions that are critically needed by the Department.

✓ 

Mela Guererro, Controller (DHS Controller's Div.)

Chief Executive Officer's Report

Referred to the Chief  
Executive Officer for —

action

Recommendation

auditor-controller

by



no.

055

Oct 24 2008

Approved as Requested

as Revised

October 24, 2008

approved (as revised):  
board of supervisors

20

by

deputy county clerk